

January 22, 1996

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Before the
Federal Communications Commission
Washington, D.C. 20554

JAN 22 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:

Advanced Television Systems
and Their Impact Upon the
Existing Television Broadcast
Service

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MM Docket No. 87-268

TO: The Commission

**REPLY COMMENTS OF
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION
ON THE FOURTH NOTICE OF PROPOSED RULEMAKING**

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**REPLY COMMENTS OF THE
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION
ON THE FOURTH NOTICE OF PROPOSED RULEMAKING
MM Docket No. 87-268**

The Computer & Communications Industry Association (CCIA) wishes to use this opportunity to provide the Federal Communications Commission (FCC) with our views on the transition to advanced television. CCIA has not previously commented on the proposed rulemaking for advanced television services. Moreover, CCIA's member companies are not in the broadcasting industry, thus we would like to focus our comments on the importance of open, interoperable standards which will be key to growth in the overall market and of great benefit to consumers. CCIA believes that the public will benefit most if the FCC focuses its energies on assuring that anticompetitive technological barriers do not emerge as we deploy advanced television systems.

CCIA believes that the FCC should create safeguards against potential barriers that could exclude certain services, favor one service over another, or otherwise preclude a service from reaching the public in the format that it was initially distributed. CCIA has identified the set-top box as a potential barrier to non-discriminatory access. CCIA believes that set-top boxes which will play a vital role in the transition to ATV. Specifically, CCIA agrees with the comments of Viacom and the Broadcasters that the set-top box can become an anticompetitive gatekeeper potentially preventing a wide variety of competitive services from reaching the consumer.

For example, if a group of companies were to come together and develop a proprietary access or encryption standard which was not made available to others in the industry, and if these companies were able to deploy a sufficiently large number of set-top boxes that only could receive their encryption standard, they could effectively use the set-top box as a bottleneck, thereby effectively foreclosing competition. Indeed, consumers would rarely if ever be willing to lease or purchase a second set-top box to receive the services of a rival programmer.

CCIA is particularly concerned that set-top boxes might be designed to accept only certain digital transmission protocols or a particular proprietary access technology which would artificially limit consumer choice and unfairly benefit those who controlled the proprietary standard. CCIA proposes that the FCC consider adopting safeguards against anticompetitive bottlenecks by requiring the adoption of open, interoperable standards, while working closely with private sector industry groups that will be responsible for developing and adopting the actual standards. The FCC's role should be one of cooperation with industry, while ensuring that the process results in open standards.

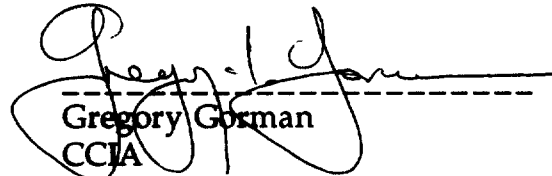
CCIA's position on open standards is not intended in any way to suggest that proprietary technology cannot be included in a standard, nor do we believe that innovators should be denied compensation for their efforts. CCIA simply believes that technology used in the standards associated with set-top boxes should be available on reasonable and non-discriminatory licensing terms to all parties. Otherwise, intellectual property rights may be used to place a barrier to consumer access to services.

Consumers will be best served by the competitive availability of an interoperable set-top box, capable of inputting all sources of information, regardless of whether it is video, voice, or data. Thus, CCIA's believes that the FCC ultimate goal should be to ensure that the protocols, formats and standards developed for ATV are available on a non-discriminatory basis to all those seeking to benefit from this emerging new market.

CCIA is an association of computer and communications industry firms, as represented by their chairmen, presidents, chief executive officers, chief operating officers and other senior executives. Be they small, medium or large in size, these firms represent a broad, cross-section of the industry, including equipment manufacturers, software developers, telecommunications service providers, systems integrators, third-party vendors, and other related business ventures.

Respectfully submitted,

Computer & Communications
Industry Association (CCIA)



Gregory Gorman
CCIA

666 Eleventh Street, N.W., Sixth Floor
Washington, D.C. 20001
202/783-0070
202/783-0534 (Fax)

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